

# COMMITTEE REPORT

Madam President: Pursuant to Joint Rule 20, your Committee on Rules and Legislative Procedure, to which was referred Engrossed House Bill 1505 because it conflicts with SEA 526-2007 without properly recognizing the existence of SEA 526-2007, has had Engrossed House Bill 1505 under consideration and begs leave to report back to the Senate with the recommendation that Engrossed House Bill 1505 be corrected as follows:

- 1 In the conference committee report to ESB 1505, page 5, between
- 2 lines 27 and 28, begin a new paragraph and insert:
- 3 "SECTION 4. IC 21-29-2-3 IS ADDED TO THE INDIANA CODE
- 4 AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY
- 5 1, 2007]: **Sec. 3. (a) Notwithstanding any other law, the following**
- 6 **records regarding alternative investments in which institutional**
- 7 **investment funds invest are not subject to disclosure under**
- 8 **IC 5-14-3, unless the information has already been publicly**
- 9 **released by the keeper of the information:**
- 10 (1) **Due diligence materials that are proprietary to the**
- 11 **institutional investment fund or the alternative vehicle.**
- 12 (2) **Quarterly and annual financial statements of alternative**
- 13 **investment vehicles.**
- 14 (3) **Meeting materials of alternative investment vehicles that**
- 15 **contain individual portfolio holdings.**
- 16 (4) **Records containing information regarding the underlying**
- 17 **portfolio positions in which alternative investment vehicles**
- 18 **invest.**
- 19 (5) **Capital call and distribution notices.**
- 20 (6) **Alternative investment agreements and all related**
- 21 **documents.**
- 22 (b) **Notwithstanding subsection (a), the following information**
- 23 **contained in records described in subsection (a) regarding**
- 24 **alternative investments in which institutional investment funds**
- 25 **invest is subject to disclosure under this chapter and is not**

1       **considered a trade secret or confidential financial information**  
 2       **exempt from disclosure:**

3               **(1) The name, address, and vintage year of each alternative**  
 4               **investment vehicle.**

5               **(2) The dollar amount of the commitment made to each**  
 6               **alternative investment vehicle by the institutional investment**  
 7               **fund since inception.**

8               **(3) The dollar amount of cash contributions by the**  
 9               **institutional investment fund to each alternative investment**  
 10              **vehicle since inception.**

11              **(4) The dollar amount, on a fiscal year-end basis, of cash**  
 12              **distributions received by the institutional investment fund**  
 13              **from each alternative investment vehicle.**

14              **(5) The dollar amount, on a fiscal year-end basis, of cash**  
 15              **distributions received by the institutional investment fund**  
 16              **plus the remaining value of partnership assets attributable to**  
 17              **the institutional investment fund's investment in each**  
 18              **alternative investment vehicle.**

19              **(6) The net internal rate of return of each alternative**  
 20              **investment vehicle since inception.**

21              **(7) The investment multiple of each alternative investment**  
 22              **vehicle since inception.**

23              **(8) The schedule of management fees and costs assessed by**  
 24              **each alternative vehicle to the institutional investment fund.**

25              **(9) The dollar amount of cash profit received by institutional**  
 26              **investment funds from each alternative vehicle on a fiscal**  
 27              **year-end basis.**

28       **(c) The following definitions apply throughout this section:**

29              **(1) "Alternative investment" means an investment in a**  
 30              **private equity fund, real estate fund, venture fund, hedge**  
 31              **fund, natural resource, or absolute return fund.**

32              **(2) "Alternative investment vehicle" means a limited**  
 33              **partnership, limited liability company, or similar legal**  
 34              **structure that is not publicly traded through which an**  
 35              **institutional investment fund invests in portfolio companies.**

36              **(3) "Institutional investment fund" means a fund that consists**  
 37              **of money managed in an endowment fund, including a**  
 38              **quasi-endowment, and the returns on the endowment fund,**  
 39              **that is held and invested by a state educational institution (as**  
 40              **defined in IC 20-12-0.5-1).**

41              **(4) "Portfolio positions" means individual portfolio**

1           **investments made by alternative investment vehicles."**

2           Renumber all SECTIONS consecutively.

(Reference is to EHB 1505 as printed March 23, 2007, and as  
amended by the conference committee report to ESB 1505.)

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Senator LONG, Chairperson

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Senator R YOUNG, R.M.M.

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Senator BRAY